

RECORDATION NO. 24658 FILED

OCT 23 2003

4-04 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036
(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

October 23, 2003

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease Agreement, dated as of March 31, 2003, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: MRC Rail Services, LLC
5215 Old Orchard Road
Suite 505
Skokie, IL 60077

Lessee: Sierra Pacific Power Company
6100 Neil Road
Reno, NV 89511

A description of the railroad equipment covered by the enclosed document is:

20 railcars VALX 23194 – VALX 23213

Mr. Vernon A. Williams
October 23, 2003
Page Two

A short summary of the document to appear in the index follows:

Memorandum of Lease Agreement

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a stylized flourish extending to the right.

Robert W. Alvord

RWA/anr
Enclosures

24658 FILED
6-04 PM
COURT CLERK'S OFFICE

**MEMORANDUM OF LEASE AGREEMENT
BETWEEN
MRC RAIL SERVICES, LLC
("LESSOR")**

AND

**SIERRA PACIFIC POWER COMPANY
("LESSEE")**

MARCH 31, 2003

MARCH 31, 2003

Memorandum of a Lease Agreement made and entered into as of [date] by and between MRC Rail Services, LLC, a Delaware limited liability company, ("**Lessor**") and Sierra Pacific Power Company, a Nevada corporation ("**Lessee**").

WITNESSETH:

1. Lessor has agreed to furnish to Lessee, and Lessee has agreed to lease from Lessor 120 Johnstown America 2001 built Autoflood II's of bearing marks and numbers as follows: Lessee Mark with number to be determined

SEE ATTACHED SCHEDULE

2. The Lease Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the lease term, as described in the Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

Lessor: MRC Rail Services, LLC

By: [Signature]
Title: Vice President
Date: 4/1/03

Lessee: Sierra Pacific Power Company

By: [Signature]
Title: JVP
Date: 4/1/03

STATE OF ILLINOIS

COUNTY OF COOK

On this 01 day of 04, 2003, before me personally appeared Harry Zordan to me personally known, who being by me duly sworn, says that he is the Vice President of MRC Rail Services, LLC that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.



Teresa Taylor
NOTARY PUBLIC

My commission expires:

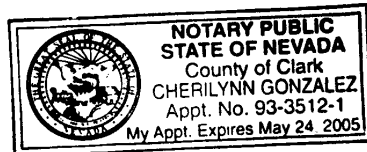
STATE OF Nevada

COUNTY OF CLARK

On this 03 day of 04, 2003, before me personally appeared Michael Yackira, to me personally known, who being by me duly sworn, says that he is the Sr. V. C. President of Sierra Pacific Power Co. that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Cheryl Gonzalez
NOTARY PUBLIC

My commission expires





MRC Rail Services, LLC

October 20, 2003

MRC Rail Services, LLC

Schedule of Railcars Leased to Sierra Pacific Power Company
under Lease Agreement dated March 31, 2003

VALX 23194 - 23213 (20 cars inclusive)